

AMSELCO EXPLORATION INC.
MEMORANDUM

To: H. M. Lane

Date: February 7, 1985

From: D. J. Duskin

Subject: Gold Fields Lease Assignment

I've reviewed the materials sent by Gold Fields' attorney and have no problem with its legal aspects. However, it does fail to include provision that Gold Fields will turn over all drill core in their possession (some of it has been donated to the University of South Carolina), as Kohls had earlier agreed. He had also agreed that a Gold Fields man would be available for a day in the field to assist in locating grid points and drill holes if we felt it necessary. Neither provision is in the assignment.

I talked to Kohls about it today. He admitted that it was an oversight and said feel free to make those additions and send it back for signing. He also said he has already obtained the required consents from the Dorns. It would thus appear that everything's ready to go except for the mechanics of my changes and any you may wish to negotiate with Ms. Hartogh. You said there were a couple of things you didn't like.

Since the big bottleneck always seems to be word processing, I've taken the liberty of moving things along by having the document re-typed here on our Decmate and sent to yours in Reno. I've also had the gall to add in the omitted provisions that I feel are essential, in Doug Duskin language. Please feel free to reconstruct as necessary. Having it on your word processor should help considerably in getting this deal taken care of.

Thanks for giving this your high priority.



10755457

January 30, 1985

Gold Fields Mining Corporation
200 Union Boulevard
Suite 500
Lakewood, Colorado 80228
(303) 988-0360

Amselco Exploration Inc.
90 West Grove Street
Suite 100
Reno, Nevada 89509

Re: Assignment of Rainsford and Dorn Leases to Amselco

Gentlemen:

This letter memorializes the Agreement between Gold Fields Mining Corporation ("Gold Fields") and Amselco Exploration Inc. ("Amselco") pursuant to which Gold Fields will assign to Amselco certain mineral leases held by Gold Fields in McCormick County, South Carolina. The mineral leases ("Leases") are attached hereto and incorporated herein as Exhibits A, B, and C, and the real property subject to the Leases (the "Property") is described therein.

1. Assignment of Leases: Gold Fields will assign the Leases to Amselco and Amselco will assume all duties and obligations under the Leases. As consideration for the assignment, Amselco will pay to Gold Fields the sum of TWENTY-SEVEN THOUSAND, FIVE HUNDRED DOLLARS (\$27,500) upon receipt from Gold Fields of an executed Assignment in the form attached hereto as Exhibit D.

The parties recognize that two of the Leases may not be assigned without the prior written consent of the lessor. Gold Fields will use its best efforts promptly to obtain the required consents. It is agreed that Gold Fields will not be entitled to receive payment from Amselco for the assignment until Amselco receives from Gold Fields copies of the two consents.

Gold Fields makes no warranties with respect to the Leases or the Property subject thereto except as follows:

(a) Gold Fields' rights with respect to the Leases and the Property are free and clear of the claims or interests of persons claiming by, through, or under Gold Fields;

(b) All taxes and assessments due and payable by Gold Fields with respect to the Property have been paid in full;

(c) The Leases are in full force and effect, free of default by Gold Fields, and have not been modified or amended. Gold Fields has paid rentals and/or minimum advance royalty payments on the Leases as follows:

Conoco/Rainsford Mining Lease and Option Agreement:
Rentals paid through December 13, 1985.

Dorn Mineral Leases: Minimum advance royalty payment paid through November 17, 1986.

Gold Fields represents to Amselco that its activities on the Property have been limited to geochemical and geophysical investigation and testing and drilling, and matters incidental thereto, and that Gold Fields has not conducted any underground mining or bulk sampling and testing. Gold Fields agrees in its sole discretion to adequately reclaim the Property from the results of its activities or to obtain from the lessor a release from any obligation to reclaim.

Gold Fields agrees to indemnify and hold Amselco harmless with respect to claims, losses, liabilities, or costs associated with the Property or operations thereon or for the benefit thereof, expressly including claims or liabilities associated with environmental or reclamation matters, to the extent that such claims, losses, liabilities, or costs arise from Gold Fields' activities prior to the effective date of assignment of the Leases to Amselco.

Amselco agrees to indemnify and hold Gold Fields harmless with respect to claims, losses, liabilities, or costs associated with the Property or operations thereon or for the benefit thereof, expressly including claims or liabilities associated with environmental or reclamation matters, to the extent that such claims, losses, liabilities, or costs arise from activities (including activities of Amselco's successors in interest) occurring on or after the effective date of the assignment of the Leases to Amselco.

2. Availability of Data: Upon receipt of the aforementioned consideration from Amselco, Gold Fields agrees to transfer copies of, or make available in its Lakewood or Charlotte office for copying by Amselco, data and information ("Data") derived by Gold Fields from or concerning the Property. Gold Fields further agrees to delivery as soon as

possible to Amselco, at Amselco's sole expense, all drill core samples derived from the Property, to the extent that such samples are in Gold Fields' possession as of the date of this Agreement.

Data includes all maps, topographic maps, logs, assays, geochemical information, reports, evaluations, and files. Gold Fields expressly disclaims any warranties as to the accuracy or completeness of the Data, but Gold Fields does represent and warrant that it is free to disclose the Data to Amselco pursuant to the terms of this letter.

Gold Fields also agrees to make available for a one-day inspection of the Property, at Gold Fields' sole expense, the services of a knowledgeable employee who is familiar with Gold Fields' work on the Property, to assist Amselco in locating drill sites, grid lines, and other geographic points of reference, provided, however, that Amselco must request such services prior to March 31, 1985.

3. Binding Agreement: Upon execution hereof by Amselco this will supercede the verbal agreement between Amselco and Gold Fields, and will constitute the binding agreement of the parties, enforceable in accordance with its terms.

Please indicate acceptance hereof and confirmation of this agreement by executing a copy in the space provided below and returning it to Gold Fields.

Sincerely,

Donald W. Kohls
Vice President
Exploration

DWK/smo

Enclosures

Agreement confirmed this
_____ day of _____, 1985.

AMSELCO EXPLORATION INC.

Name: _____

Title: _____